

AMENDED IN SENATE JULY 9, 2015

AMENDED IN ASSEMBLY APRIL 8, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 401**

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**Introduced by Assembly Member Dodd**

February 19, 2015

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An act to add Section 12092 to the Government Code, relating to low-income water assistance.

LEGISLATIVE COUNSEL'S DIGEST

AB 401, as amended, Dodd. Low-Income Water Rate Assistance Program.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including water corporations, as defined. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law requires the Public Utilities Commission to consider, and authorizes the commission to implement, programs to provide rate relief for low-income ratepayers of a water corporation.

Existing law establishes the Department of Community Services and Development in state government and vests with the department various powers and authority regarding the implementation and administration of programs to assist low-income individuals in the state.

This bill would require the department, no later than January 1, 2017, in collaboration with the State Board of Equalization and relevant stakeholders, to develop a plan for the funding and implementation of the Low-Income Water Rate Assistance Program, which would include specified elements. The bill would require the department, no later than

~~January~~ February 1, 2017, to report to the Legislature on its findings regarding the feasibility, financial stability, and desired structure of the program, including any recommendations for legislative action that may need to be taken.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 12092 is added to the Government Code,  
2 to read:

3 12092. (a) This section shall be known, and may be cited, as  
4 the Low-Income Water Rate Assistance Act.

5 (b) No later than January 1, 2017, the department, in  
6 collaboration with the board and relevant stakeholders, shall  
7 develop a plan for the funding and implementation of the  
8 Low-Income Water Rate Assistance Program, which shall include  
9 all of the following elements:

10 (1) A description of the method for collecting moneys to support  
11 and implement the program, including a discussion of any  
12 constitutional restrictions on public water agency ratesetting.

13 (2) A description of the mechanism for providing funding  
14 assistance under the program through either direct credits to  
15 enrollees in the program or reimbursements to water service  
16 providers, including a method for verifying income eligibility of  
17 ~~low-income ratepayers. ratepayers, clarification of the role of the~~  
18 *Public Utilities Commission and water utilities in determining and*  
19 *verifying customer eligibility, and recommendations regarding*  
20 *the structure of the program, particularly whether it will be*  
21 *administered by the state or locally administered.*

22 (3) A description of the method to be used to determine the  
23 amount of moneys that may need to be collected from water  
24 ratepayers to fund the program. *The plan shall include a set of*  
25 *recommendations and best practices of cost-savings measures to*  
26 *ensure water utilities are demonstrating whether and how they*  
27 *are keeping rates low.* This section does not authorize the  
28 imposition of a state charge to fund the program.

29 (c) No later than ~~January~~ February 1, 2017, the department shall  
30 report to the Legislature on its findings regarding the feasibility,  
31 financial stability, and desired structure of the program, including

1 any recommendations for legislative action that may need to be  
2 taken.

3 (d) For purposes of this section, the following terms have the  
4 following meanings:

5 (1) “Board” means the State Board of Equalization.

6 (2) “Department” means the Department of Community Services  
7 and Development.

8 (3) “Low-income” means a household with income that is equal  
9 to or no greater than 200 percent of the federal poverty guideline  
10 level. For one-person households, program eligibility shall be  
11 based on two-person household guideline levels.

12 (4) “Program” means the Low-Income Water Rate Assistance  
13 Program.

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